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Westly Urges Full Disclosure for Stem Cell Financial Oversight Committee

Proposition 71 Enabling State to Attract World Class Researchers

SAN FRANCISCO – State Controller Steve Westly today held the inaugural meeting of the Citizens Financial Accountability Oversight Committee (CFAOC). The CFAOC reviewed the first comprehensive audit of the California Institute for Regenerative Medicine, the agency charged with allocating the \$3 billion voters approved for stem cell research last year. Westly also called for the appointed members of CFAOC to fully disclose their financial interests.

Instituting the Toughest Financial Controls

“California’s investment in stem cell research is truly historic. We must not allow even the perception of waste and abuse to get in the way of the Institute delivering on the promises of hope and cures,” Westly said. “Transparency and tough oversight will ensure financial integrity, so the Institute can do its work.”

The CFAOC reviewed the first audit and the Controller’s Office review of the Institute’s financial operations as required by Proposition 71, the voter-approved initiative that established and funded the Institute. The audit found the Institute operated in accordance with standard auditing practices from November 4, 2004, to June 30, 2005.

Creating Jobs and Revenue

Proposition 71 promoted jobs, State revenues and research leading to cures, Westly said, and is already beginning to deliver. In April of this year, Controller Westly issued checks for California’s first stem cell grants. The initial \$12.1 million in grants will support 169 research fellows at 16 universities, hospitals and research institutes.

“We’re seeing the initial investments in stem cell research paying off in California and we’re creating a new industry,” Westly added. “We’re already attracting the best scientific minds in the world to prove that California is leading the way in stem cell research.”

Xianmin Zeng, Ph.D., had spent the past five years at the National Institutes of Health working on stem cell biology and neurobiology before joining the Buck Institute’s Program in Stem Cell and Regenerative Medicine in Novato, California. Dr. Zeng chose to continue her work in California after Proposition 71 passed.

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“There are a lot of opportunities in California, and I chose the non-profit Buck Institute to continue my research on the use of human embryonic stem cells as a potential treatment for neurodegenerative diseases such as Parkinson’s disease,” said Dr. Zeng.

Expediting the Grant Process

Controller Westly also requested the Institute explore a streamlined grant process that would spur collaboration and innovation by requiring scientists to share research results. Westly recommended the Institute’s Intellectual Property Committee review and report on the policies of research organizations that earmark a portion of research funding for grants that require annual disclosure of results. Westly previously called for the Institute to publicly evaluate the annual performance of projects financed by grants and to develop procedures to ensure confidence that grants are awarded fairly.

“We need to consider innovative approaches to speed the delivery of potentially lifesaving research and cures,” Westly said.

Apart from chairing the California Institute for Regenerative Medicine’s CFAOC, Controller Westly also appoints members to the Independent Citizens Oversight Committee, which oversees the Institute.

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